

EXHIBIT B

**Darrell Scott Declaration in Support of ZAI Claimants' Motion for Order to Show
Cause Why Expert Witnesses Should Not be Appointed**

PERSONAL AND CONFIDENTIAL

49477

GRACE

Construction Products Division

March 16, 1977

To: B. R. Williams
/From: B. A. Blessington
cc: E. S. Wood

Attached are press releases and sales force notifications dealing with the withdrawal of Attic Insulation and MONOKOTE. (The MONOKOTE customer letter would parallel the press release.)

BAB/CGR
Attachments

ZZ 002367

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SALES NOTICE - MONOKOTE WITHDRAWAL

The State of California's insistence on absolutely "no" asbestos in a spray-applied fireproofing has forced us to temporarily withdraw the product.

MONOKOTE contains minute quantities of tremolite asbestos fiber. The fiber content in MONOKOTE is so low that skilled independent testing laboratories have frequently been unable to find any fibers whatsoever in 3 out of 4 samples tested.

It is our position that the California requirement is technically unsound and unreasonably severe. We feel that there is absolutely no asbestos-related health hazard associated with the use of MONOKOTE. Moreover, MONOKOTE exceeds the stringent requirements for both EPA and OSHA.

Despite this, we must temporarily withdraw the product or be in violation of law.

Attached is a letter which should be mailed to all MONOKOTE customers explaining our position on this issue.

If there should be questions that are not answered by the letter, please refer them to your District or Regional Manager.

BAB/CGR
3-16-77

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DRAFT

MONOKOTE PRESS RELEASE

W. R. Grace & Co. announced today that it was withdrawing MONOKOTE™ fireproofing from the market in California.

The company said that it was forced to take this step because of a technicality in the California law which prohibits the use of any fireproofing material which contains asbestos, regardless of how minute the amount.

According to Grace, California's Marx bill requires that any spray-applied material such as MONOKOTE fireproofing contain absolutely "no" asbestos.

The company pointed out that the wording of the statute is unclear and scientifically unsound.

Grace based its opinion on the fact that a material may contain such minute amounts of naturally occurring asbestos that the material poses no health hazard whatsoever, and yet under the Marx Bill is prohibited from use. Further, there is no way to verify through testing that a material contains "no" asbestos, primarily because of background levels of asbestos contamination originating from automobile brake linings and elsewhere. The company stated that air samples taken in most cities in the U.S. contain traces of asbestos along with many municipal water supplies.

Grace said that many materials used in and around construction job sites (MONOKOTE fireproofing included) contain minute traces of

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naturally-occurring asbestos. Most or all of these products are well within tough OSHA or EPA limits for airborne fiber counts but conceivably could be banned in California if they contain "even one asbestos fiber."

The Grace official summarized by saying, "We cannot guarantee the State of California that our material contains absolutely no asbestos. Rather than violate an unreasonable statute, we are withdrawing the product in the State of California."

*All the asbestos in the world
has also been found in the
product. It is not possible to
guarantee that the product is
free of asbestos.*

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SALES NOTICE - ATTIC WITHDRAWAL

After lengthy consideration involving Regional and District management, we have decided to withdraw Attic Insulation from the market.

This difficult decision is made with great mixed feelings. On the one hand, we recognize the value of Attic in our business; on the other, we have certain legal and ethical obligations associated with selling a consumer product.

Attic Insulation contains minute traces of tremolite asbestos which the Consumer Product Safety Commission considers a health hazard in any quantity whatsoever. Rather than engage in a costly public argument with a lot of unfavorable publicity -- an argument which we will most likely lose -- we have decided to withdraw the product.

The attached letter should be sent to all Attic Insulation customers to explain our action.

Should they have questions not covered by the letter, they should be referred to your District or Regional Manager.

BAB/CGR
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DRAFT

ATTIC INSULATION PRESS RELEASE

W. R. Grace & Co. announced today that is was discontinuing its ZONOLITETM Attic Insulation product line effective immediately.

The company has determined that the kind of vermiculite mineral used in ZONOLITE Attic Insulation contains traces of tremolite, a naturally occurring obscure form as asbestos.

A Grace official stated that "The company was sufficiently concerned about the entire issue of asbestos and associated health hazards to discontinue the product."

The official pointed out that even though the company felt the product was safe within industrial limits for exposure to tremolite fiber, ZONOLITE Attic Insulation "must be safe beyond any doubt whatsoever" to meet Grace's product standards for sale to consumers.

Consequently, the company will discontinue sales of the product until such time as it can be produced so as to eliminate any possible question of consumer product safety.

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WITHDRAW CONSUMER

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Effective this date, W. R. Grace & Co. will no longer produce Terra-Lite Vermiculite or Terra-Lite Soils for the consumer. This decision has no effect on Terra-Lite Perlite for the consumer or Terra-Lite Vermiculite, Redi-earth, Metro-Mix, Container Mix, and Perlite to the professional grower and landscape architect.

Vermiculite may contain, as a natural contaminant mineral, tremolite in fibrous form. The percent found varies in grade sizes and deposits. Tremolite is not a commercial asbestos form. ^{The Consumer Protection Act} (OSHA ~~MESA~~ ~~CPA~~ ~~etc.~~), however, by including tremolite within the definition of asbestos, has determined that exposure to tremolite will have the same effects as exposure to commercial asbestos.

Using the latest scientific techniques, tremolite is barely detectable in most vermiculite products. When mixed with other material to produce soils, that small portion that could be detected is for the most part bound, or not airborne, and well below present commercial safety standards.

The exposures to tremolite in the ordinary use of our products by consumers is below the levels which U. S. Government regulatory agencies feel can be reliably monitored. However, we are deliberately taking an extremely cautious approach in withdrawing these products from the market.

We have been researching and field testing a new series of products for the consumer. These products will not contain vermiculite but will maintain the quality and performance levels that you and your customers

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Withdraw Customers (Continued)

Page 2.

have learned to expect from Terra-Lite products. You will be receiving additional information on these products soon.

If you have any questions concerning this decision by W. R. Grace & Co., please contact your Terra-Lite representative.

WRH:MRH

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